

T-01051B-12-0468



ORIGINAL

ARIZONA CORPORATION COM

UTILITY COMPLAINT FORM

Investigator: Scott Friedson

Phone: JAN 31 P 12:57

Fax:

Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION

SECRET CONTROL

Opinion No. 2013 - 108180

Date: 1/31/2013 Arizona Corporation Commission

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

DOCKETED

JAN 31 2013

First:

Last:

Complaint By: Gerald

Wilmot

Account Name: Gerald Wilmot

Home:

Street:

Work:

City: Cottonwood

CBR:

State: AZ Zip: 86326

is:

Utility Company: CenturyLink

Division: Telephone

Contact Name: For assignment

Contact Phone: (000) 000-0000

Nature of Complaint:

1/31/13

*****TELEPHONE*****T-01051B-12-0468*****OPPOSED*****

Consumer Services Section
Arizona Corporation Commission
1200 W. Washington St. Phoenix, AZ 85007

Dear Personnel:

This letter is in regard to Docket No. T-01051B-12-0468, a proposal by Centurylink to raise the maximum rates for various telephone services.

Likely the two rate increases that will have the most impact on both the consumers' pockets and Centurylink's income are the increases in Flat Rate Service-Residential Primary Line and Flat Rate Service-Business Primary Line. In each of these two cases, as is the situation with most other items in their rate increase proposal, Centurylink is requesting a 25% increase!

According to a quick look today on MSN Money, Centurylink has a 25 billion dollar market cap and is presently paying out a dividend to investors of 7.2%! By making such large payouts to investors they can produce accounting sheets that imply that their profit as a company is less than it should be. However, 7.2% dividend income, from a relatively 'safe' or non-risky company, is a real "dream come true" in today's financial markets where the typical saver cannot find even 1% return. Most well known large cap companies that pay dividends do not pay anywhere near 7%. Even cash-rich Verizon with a 124 billion dollar market cap is paying much less at 4.8%. Centurylink is rewarding its investors with a rate 50% higher! A 3.0%-4.0% dividend is more realistic and beats the annual inflation rate for many years past.

I submit that Centurylink is requesting too great an increase. I allow that some increase is needed, but perhaps about 50% of what they are requesting. It would be prudent for Centurylink to trim some expenses including its

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seemingly pricey advertising and also reduce their dividend outlay. Those steps along with a modest increase in rates would be quite palatable to the informed consumer.

The present proposal by Centurylink should not be accepted as currently written. It places a sudden 25% increase in basic and other rates on both residential and business consumers, apparently in an effort not to increase the quality of service or infrastructure but to maintain a gold-plated dividend and make money for its investors. Since they pretty much have a monopoly on the wired services in the area they operate, we consumers have to depend on you, the ACC, to look after our interests as well as theirs, maintaining a balance. We need a better balance than what Centurylink is proposing!

Sincerely,
Gerald Wilmot
An ordinary residential consumer
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Entered for the record and filed in docket no. T-01051B-12-0468. CLOSED.
End of Comments

Date Completed: 1/31/2013

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